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**From:**

**Sent:** Wednesday, February 24, 2010 12:00:32 PM

**To:**

**Cc:**

**Subject:** RE: Levy question

Hi

As you noted, as a legal matter, Coverdell ESAs and 529s are not exempt from levy. But note: There are differences between the two types of accounts, so the RO needs to be mindful of who the taxpayer is and what property rights, if any, he has. For example, the person setting up a Coverdell ESA does not have the right to withdraw the funds (which are held for the benefit of the beneficiary), while the person setting up a 529 can withdraw the funds (with tax consequences.) There are some general rules, but the RO should also try to obtain the agreement governing the plan/account.

I've found no administrative policy on levying on these types of accounts (and double-checked with the NO levy analyst). [REDACTED]

[REDACTED]